

HEADLINE: Round Table on Creating a More Efficient Labour Market in Canada Hosted by the Centre for the Study of Living Standards: Session 3 on Immigration and the Needs of the Labour Market

PRINCIPAL: Wilma Vreeswijk, Acting Director General, Labour Market Policy, Human Resource Development Canada

Moderator: Our final speaker in this session is Wilma Vreeswijk, who's the Acting Director General of Labour Market Policy at Human Resource Development Canada. Wilma?

Wilma Vreeswijk: This is quite a stimulating debate to be speaking last on. And I'd like to invite all of you other HRDC folks to add to my comments. I'm going to stick to the subject of the session which is Labour Market Integration of Immigrants although it is incredibly tempting for me to respond to some of the comments on other issues like Employment Insurance.

I wanted to take place Immigration in the context of the overall labour market. The Canadian labour market is performing quite well and we have employment rate rising. The education of Canadian workers has increased so that now 60% of Canadian workers have post-secondary education. And if we start looking at the future we know that there will be an impact of demographics, young people staying in school longer, less, fewer young people and a larger number of workers retiring. From a labour demand perspective, we know that skill requirements are increasing and that even for low-skill jobs today there is a requirement for high school education.

From the efficiency standpoint we know that there are some concerns in terms of labour shortages. The CFIB report – and you can read the newspaper this morning – but you know we do not see generalized labour shortages although we do see them in sectors, parts of the country and occupations. At the same time what's important to remember is that even at a time when we have a significant job growth, even when we're looking at 25-year lows in terms of unemployment rates, and 10-year lows for youth, there are still 1.2 million Canadians unemployed in Canada and in some regions of the country we do have double digit unemployment. So that's a bit of a reality check as we start looking at the potential for different programs to be responding to demand.

How does immigration fit into this picture? Immigrants accounted for almost 20% of the labour market and in the long term looking at our demographics and population growth projections, we expect that the importance of immigration will grow. Who are they? There are three classes of immigrants. The economic class that has been much talked about today represents actually between 15 to 25% of new immigrants. The remaining 75 to 85% are coming to Canada as part of the family class or the humanitarian class. So when we're talking about labour

market integration it is not just the economic class where we have to focus, it really is a broader group. The temporary foreign worker program has expanded in terms of over the last few years and it is designed to respond to short term labour shortages and considers, therefore, the domestic labour market in determining whether there are Canadian workers that would be displaced. Under this program we had about 70 FTEs and this has grown as I said significantly over the last few years.

So if you take a summary of what's happened in the last 10 years, there are more immigrants. We've had two million new immigrants over the last decade, more in the economic class but interestingly also we've have more immigrants with post-secondary education. This has shifted from 28% of the immigrants in 1984 with post-secondary education to 45% in 1999. The reality is whether we are concerned about immigration being the primary pillar or not, immigrants are in Canada and the challenge is how do we immigrate them better.

The major receiving provinces are Ontario, Quebec and B.C. with close to three-quarters of new immigrants residing in Toronto, Montreal and Vancouver. When we look at how they're doing, economic immigrants are doing better than other classes but essentially what it boils down to is that is very similar to what's happening for native-born Canadians. Those with post-secondary education do better and those without post-secondary education still show lags 15 years later. Those with a knowledge of English and French do better and those that don't have basic language skills have significant difficulties integrating with lags even below the Canadian average 15 years later.

And how has this changed over time? Actually the trend is towards worsening performance across all classes of immigrants even with higher education of the immigrant population. There are significant challenges in terms of integration. We have lower employment rates and lower initial earnings. Why this is happening is not entirely clear. It may be due to the increased skill levels of the Canadian labour market and increased competition and reduced absorptive capacity of the Canadian labour market. But there are also structural barriers to labour market participation of immigrants. With some of the issues that have been raised here and in the hallway earlier on, foreign credential recognition is a significant challenge for new immigrants and when we're looking at attracting the best and the brightest this is certainly something. If we're attracting the best and the brightest and yet at the same time they've had difficulty finding work in their field, we'll be handicapping ourselves in the future. In terms of language abilities it's very hard to work in Canada if you don't have the basic language skills in both official languages. But there are also issues in terms of employer attitudes and the potential for discrimination. And certainly there are employer groups that are leaders. But our survey is showing that employers tend to favour those who are educated in Canada and those with experience in Canada so there's certainly some challenges there for employers.

I think it could be said that we could be doing a better job in terms of tailoring our labour market information to new immigrants, both in terms of prior to their arrival in Canada as well as after so that they can make informed decisions about their prospects.

So to conclude, I think that we all recognize that immigration is an important contributor to the growth of the Canadian population as well as the labour market. But they're not performing as well as previous cohorts and I think that that's a challenge for all of us and this may be presenting missed opportunities for Canada in terms of the future. We need to focus a bit more attention on levelling the playing field of immigrants that are here as well as attracting the best and the brightest and recognise that the two are interlinked and this is certainly something that the department is working on and the government has recognized as a priority.

Moderator: Okay, thank you very much Wilma.